

IN THE GRAND COURT OF THE CAYMAN ISLANDS
Before the Honourable Chief Justice

CAUSE NO. 172 of 2002

In the matter of THE COMPANIES LAW (2002 REVISION)

And in the matter of Terrace Corp (In Provisional Liquidation)

ORDER



UPON hearing Counsel for the Petitioner Trade and Commerce Bank

AND UPON READING the affidavit of Jonathan Kahlberg sworn herein on 30th May 2003

IT IS HEREBY ORDERED THAT:

- (1) The Company be wound up by the Court under the provisions of the Companies Law (2003 Revision).
- (2) G. James Cleaver and Don Wayne Ebanks, of E & Y Restructuring, Ltd., P.O. Box 1102 GT, 4th Floor, Bermuda House, British American Centre, Dr Roy's Drive, George Town, Grand Cayman, be appointed Joint Official Liquidators of the Company with power to act jointly and severally (the "Official Liquidators").
- (3) The Official Liquidators shall not be required to give security for their appointment.
- (4) The Official Liquidators shall have power:

- (a) to bring or defend any action, suit, prosecution or other legal proceedings, whether criminal or civil, by way of court process or arbitration, in the name and on behalf of the Company.
- (b) to take possession of, collect and get in all property or assets (of whatever nature) to which the Company is or appears to be entitled;
- (c) to do all things as may be necessary or expedient for the protection of the Company's assets;
- (d) to do all things (including the carrying on of the business of the Company) so as may be necessary or expedient for the beneficial realisation of the property or assets of the Company (including power to borrow money);
- (e) to appoint attorneys, solicitors and other professional qualified persons both in the Cayman Islands and elsewhere to assist them in the performance of their duties;
- (f) to appoint agents both in the Cayman Islands and elsewhere to do any business which they are unable to do themselves or which can more conveniently be done by an agent and power to employ and dismiss officers and employees of the Company;
- (g) to make any power which is necessary or incidental to the performance of their duties;
- (h) to open and maintain bank accounts in the name of the Company or themselves anywhere in the world as may be necessary for the better performance of their duties;



- (i) to exercise and execute all the powers set out in Section 109 of the Companies Law (2003 Revision) without sanction or intervention of the Court and unprejudiced by the generality hereof;
- (j) to compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims whether present or future, certain or contingent, ascertained or sounding only in damages, subsisting or supposed to subsist between the Company and any contributory or alleged contributory or other debtor or person apprehending liability to the Company, upon receipt of such sums payable at such times and generally on such terms as may be agreed upon, with power to take securities for the discharge of such debts or liabilities and to give complete discharges in respect of all or such calls debts, or liabilities; and
- (k) to do and execute all such other things as may be necessary for winding-up the affairs of the Company and distributing its assets;

and for the avoidance of doubt the powers bestowed on the Official Liquidators may be exercised by them within and outside the Cayman Islands.

- (5) The Official Liquidators be at liberty to apply for further directions relating to the winding-up of the affairs of the Company and the distribution of its assets.
- (6) The reasonable costs of the Petitioner of and incidental to the Petition be paid forthwith from the assets of the Company to be taxed if not agreed.
- (7) The Official Liquidators be at liberty to and do pay themselves (subject to the Insolvency Rules), their agents, employees, attorneys, solicitors and whomsoever else they may employ or instruct, remuneration and costs in priority to all other debts of the Company pursuant to section 123 of the Companies Law (2003 Revision), and:



- (i) the remuneration of any other agents, employed or instructed by or on behalf of the Official Liquidators in connection with the performance of their duties be fixed and approved at the rate or rates in the country in which such person is ordinarily employed or engaged in practice;
- (iii) the Official Liquidators be at liberty to pay their agents, employees, attorneys, solicitors and whomsoever else they employ or instruct either weekly or monthly or at such other intervals as they consider appropriate;
- (iv) the Official Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties;

and for the avoidance of doubt all payments made pursuant to paragraphs 7(i)-(iv) above shall be made as and when they fall due out of the assets of the Company and shall be expenses in the Liquidation.

- (10) Such other orders and directions may be made as the Court thinks fit.

DATED this 30 day of July 2003
FILED this 30 day of July 2003


The Honourable Chief Justice



Filed by Campbells, Attorneys-at-Law for the Petitioner, whose address for service is that of its Attorneys-at-Law, Fourth Floor, Scotiabank Building, P.O. Box 884, George Town, Grand Cayman, Cayman Islands B.W.I. (Ref: AJW/10147)
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